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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION

JUL 06 2005

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%	$16.44	/CWT
CLASS I BUTTERFAT PRICE PER POUND	$1.59	/LB

EFFECTIVE AUGUST 1, 2005:

The minimum price to pay milk producers, under ARM 32.24.301, is $16.44 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 15.9 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be $1.59.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%	$13.40	/CWT

Average spray process dry milk solids price per pound	=	$0.98625		
Multiplied by 8.2	x	8.2		
		$8.08730		$8.08730
Last quote of the month for Grade AA butter minus a differential of $.0895	=	$1.56050		
Multiplied by 4.2	x	4.2		
		$6.55410	+	$6.55410
				$14.64140
LESS a make allowance of 8.5% (		$14.6414	X .085)	- $1.24452
				$13.39688
Rounded to the nearest whole cent	=	**$13.40**	/hundredweight.	

CLASS II BUTTERFAT PRICE PER POUND					$1.73	/LB
Last quote of the month for Grade AA butter minus a differential of $.0895	=	$1.56050	X .111)	=	$0.17322	
Rounded to the nearest half cent				=	$0.173	
Butterfat value per pound for milk at 3.5% test:		$1.73				
Hundredweight price of milk testing 3.5%				=	$13.40	
LESS 3.5 pounds of butterfat at		$1.73	per pound	-	$6.055	
Value of 96.5 pounds of skim				=	$7.345	
CLASS II VALUE OF ONE POUND OF SKIM		7.345	/ 96.5 pounds)	=	$0.07611	/LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%				$11.38	/CWT
3.5 pounds of butterfat	x	$1.40	per pound =	$4.900	
96.5 pounds of skim	x	$0.06712	per pound =	$6.477	
				$11.377	/CW

CLASS III BUTTERFAT PRICE PER POUND				$1.40	/LB
Last quote of the month for Grade AA butter minus a difference of $.0895	=	$1.56050			
LESS 10%	-	$0.15605			
		$1.40445			
Rounded to the nearest whole cent	=	$1.40	per pound.		
CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED				$6.71242	/CWT
Avg. spray process dry milk solid price/lb =		$0.98625			
Multiplied by 8.2	x	8.2			
		$8.08725			
LESS 17%	-	$1.37483			
		$6.71242			
Rounded to the nearest whole cent	=	$6.71	per hundredweight.		

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick

Monte Nick, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON $16.44 FOR 3.5% MILK 96.5 LBS = $10.875			CLASS II SKIM PRICE BASED ON $13.40 FOR 3.5% MILK 96.5 LBS = $7.345			CLASS III SKIM PRICE BASED ON $11.38 FOR 3.5% MILK 96.5 LBS = $6.477		
	Blend Prices			Blend Prices			Blend Prices	
	Quota	Excess		Quota	Excess		Quota	Excess
Jan-95	$ 13.70	$ 9.29	Jul-98	$ 12.91	$ 12.54	Jan-02	$ 12.99	$ 10.60
Feb-95	$ 13.27	$ 8.91	Aug-98	$ 14.53	$ 13.06	Feb-02	$ 12.90	$ 10.78
Mar-95	$ 13.40	$ 9.14	Sep-98	$ 16.03	$ 13.37	Mar-02	$ 12.77	$ 10.50
Apr-95	$ 13.12	$ 9.24	Oct-98	$ 16.12	$ 14.72	Apr-02	$ 12.72	$ 10.20
May-95	$ 13.53	$ 8.83	Nov-98	$ 16.34	$ 15.91	May-02	$ 12.55	$ 10.84
Jun-95	$ 12.89	$ 8.38	Dec-98	$ 17.17	$ 15.55	Jun-02	$ 11.51	$ 8.79
Jul-95	$ 12.63	$ 8.77	Jan-99	$ 16.94	$ 10.92	Jul-02	$ 12.30	$ 9.46
Aug-95	$ 13.31	$ 9.09	Feb-99	$ 17.54	$ 9.92	Aug-02	$ 11.82	$ 10.15
Sep-95	$ 13.09	$ 9.45	Mar-99	$ 16.75	$ 9.63	Sep-02	$ 11.86	$ 10.36
Oct-95	$ 13.51	$ 9.62	Apr-99	$ 11.95	$ 10.31	Oct-02	$ 11.68	$ 10.11
Nov-95	$ 13.73	$ 9.71	May-99	Missing May		Nov-02	$ 11.60	$ 10.66
Dec-95	$ 14.17	$ 10.34	Jun-99	$ 12.86	$ 9.51	Dec-02	$ 12.04	$ 10.61
Jan-96	$ 14.77	$ 10.75	Jul-99	$ 12.85	$ 11.66	Jan-03	$ 12.85	$ 10.61
Feb-96	$ 14.75	$ 9.63	Aug-99	$ 13.25	$ 13.11	Feb-03	$ 11.08	$ 9.52
Mar-96	$ 13.39	$ 9.94	Sep-99	$ 14.79	$ 12.26	Mar-03	$ 11.31	$ 9.65
Apr-96	$ 13.78	$ 9.40	Oct-99	$ 16.32	$ 10.20	Apr-03	$ 11.10	$ 10.06
May-96	$ 14.18	$ 9.37	Nov-99	$ 17.00	$ 8.10	May-03	$ 11.17	$ 9.80
Jun-96	$ 13.98	$ 9.84	Dec-99	$ 12.68	$ 8.18	Jun-03	$ 10.99	$ 9.49
Jul-96	$ 15.42	$ 11.48	Jan-00	$ 11.39	$ 8.14	Jul-03	$ 11.23	$ 10.00
Aug-96	$ 16.52	$ 13.19	Feb-00	$ 12.33	$ 7.98	Aug-03	$ 11.65	$ 12.40
Sep-96	$ 16.14	$ 13.37	Mar-00	$ 12.15	$ 8.05	Sep-03	$ 12.58	$ 12.67
Oct-96	$ 16.33	$ 12.47	Apr-00	$ 12.18	$ 8.03	Oct-03	$ 14.50	$ 14.08
Nov-96	$ 17.19	$ 10.54	May-00	$ 12.35	$ 7.79	Nov-03	$ 14.09	$ 12.38
Dec-96	$ 15.41	$ 8.09	Jun-00	$ 12.47	$ 7.83	Dec-03	$ 14.60	$ 11.22
Jan-97	$ 13.25	$ 11.85	Jul-00	$ 13.11	$ 9.21	Jan-04	$ 14.15	$ 10.59
Feb-97	$ 13.01	$ 9.83	Aug-00	$ 13.51	$ 8.04	Feb-04	$ 12.75	$ 11.64
Mar-97	$ 13.35	$ 9.95	Sep-00	$ 13.38	$ 9.53	Mar-04	$ 13.15	$ 12.48
Apr-97	$ 13.84	$ 9.88	Oct-00	$ 13.49	$ 8.14	Apr-04	$ 14.23	$ 13.94
May-97	$ 13.79	$ 8.11	Nov-00	$ 13.40	$ 10.31	May-04	$ 14.45	$ 13.95
Jun-97	$ 12.37	$ 8.09	Dec-00	$ 12.82	$ 9.29	Jun-04	$ 18.35	$ 12.97
Jul-97	$ 12.34	$ 8.14	Jan-01	$ 14.01	$ 10.23	Jul-04	$ 19.04	$ 10.58
Aug-97	$ 12.41	$ 9.59	Feb-01	$ 13.47	$ 9.91	Aug-04	$ 17.27	$ 11.19
Sep-97	$ 12.80	$ 10.38	Mar-01	$ 12.84	$ 10.47	Sep-04	$ 14.63	$ 11.29
Oct-97	$ 13.76	$ 10.50	Apr-01	$ 14.10	$ 11.76	Oct-04	$ 14.24	$ 11.17
Nov-97	$ 14.05	$ 11.22	May-01	$ 14.68	$ 12.62	Nov-04	$ 15.26	$ 11.49
Dec-97	$ 14.22	$ 10.43	Jun-01	$ 15.78	$ 13.09	Dec-04	$ 13.86	$ 10.66
Jan-98	$ 14.16	$ 10.10	Jul-01	$ 15.48	$ 13.36	Jan-05	$ 15.51	$ 13.80
Feb-98	$ 14.38	$ 10.11	Aug-01	$ 16.52	$ 13.92	Feb-05	$ 15.67	$ 10.61
Mar-98	$ 14.50	$ 9.65	Sep-01	$ 15.74	$ 14.58	Mar-05	$ 14.32	$ 11.99
Apr-98	$ 14.50	$ 9.65	Oct-01	$ 16.74	$ 13.29	Apr-05	$ 15.03	$ 12.43
May-98	$ 13.72	$ 8.71	Nov-01	$ 15.40	$ 12.22	May-05	$ 14.74	$ 12.74
Jun-98	$ 13.37	$ 10.65	Dec-01	$ 14.90	$ 10.38	Jun-05		

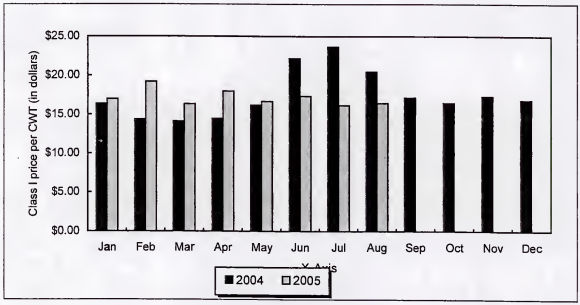
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2004 and 2005

Statistics from the Montana Milk Control Bureau

Month	2004	2005	Difference	% Change
January	$16.39	$16.98	$0.59	3.60%
February	$14.40	$19.20	$4.80	33.33%
March	$14.14	$16.34	$2.20	15.56%
April	$14.49	$17.98	$3.49	24.09%
May	$16.19	$16.68	$0.49	3.03%
June	$22.20	$17.35	($4.85)	-21.85%
July	$23.68	$16.17	($7.51)	-31.71%
August	$20.50	$16.44	($4.06)	-19.80%
September	$17.17			
October	$16.49			
November	$17.33			
December	$16.84			
Average	**$17.49**	**$17.14**	**($0.61)**	**0.78%**

Prices are per hundredweight (CWT).



Completion of pooling (prior to audit) shows the producer quota blend prices to be:

MAY 2005: class I = $9.10; class II = $1.12; Class III = $5.29; total = $15.51

(calculations based upon utilization percentages of butterfat & skim)